

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3434  
ANSWERED ON:07.09.2007  
BANKING FACILITY IN RURAL AREAS  
Gangwar Shri Santosh Kumar

**Will the Minister of FINANCE be pleased to state:**

(a) whether the public sector banks have been directed to formulate an action plan in order to make available better banking facility in rural areas of the country; and

(b) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Yes, Sir. Reserve Bank of India (RBI), in its Annual Policy Statement for the year 2006-07, has advised all public sector banks in all States/Union Territories (UTs) to identify at least one district in their State/UT for achieving 100 percent financial inclusion by providing a 'No Frills' account and General Purpose Credit Card (GCC) on the lines of the initiative taken in Pondicherry (National Pilot Project for 100 percent Financial Inclusion). The SLBC convenor banks have identified 104 districts (as on 30.06.2007) for 100% financial inclusion of which 24 districts in Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Punjab and UT of Pondicherry have achieved 100% financial inclusion and banks have opened 67,32,335 'No Frills Accounts' and have issued 48,676 General Purpose Credit Card in these districts. Palakkad district in Kerala State was the first district to achieve 100% financial inclusion.

Besides, RBI has also issued guidelines advising all scheduled commercial banks to use the services of Non-Governmental Organisations (NGOs), Self Help Groups (SHGs), Micro Finance Institutions (MFIs), Post Offices and other Civil Society Organisations (CSOs) as intermediaries in providing financial and banking services through the use of Business Facilitator and Correspondent models to bring in the banking fold the poorest of the poor and to extend banking facility in rural areas.